



## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0276	<b>Title:</b>	Constitutional amendment prohibiting an income tax if there is a sales tax
<b>Primary Sponsor:</b>	Hertz, Greg	<b>Status:</b>	As Introduced

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 276 would require a statewide vote on a constitutional amendment preventing the state from imposing a tax on corporate and individual income any time the state also levies a general statewide sales tax.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Revenue**

1. Under current law, the State of Montana can impose a general statewide sales tax, while also taxing individual and corporate income.
2. HB 276 would require a vote for an amendment to Montana's constitution, preventing the state from imposing a tax on corporate and individual income taxes any time when a general statewide sales tax is imposed.
3. Montana currently taxes individual incomes and corporate incomes. Montana does not currently collect a statewide general sales tax.

4. In current law there is a constitutional limitation on any general sales tax establishing a maximum tax rate of 4% (Article VIII, Section 16).
5. There is currently no revenue impact of this proposal.
6. The Department of Revenue does not expect to incur any costs as a result of HB 276.

**Secretary of State**

7. The total costs for ballots, printing, programming and other associated costs is estimated to be \$505,254 which is divided by the average number of contests per ballot (18).  $\$505,254/18 = \$28,069$ .
8. The price per initiative may vary depending on the total number of contests on the ballot in a given year and the total cost of each election.

<b>Fiscal Impact: Secretary of State</b>	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b><u>Expenditures:</u></b>				
Other	\$0	\$28,069	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$28,069</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$28,069	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$28,069</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	(\$28,069)	\$0	\$0

**Effect on County or Other Local Revenues or Expenditures:**

1. In 2014, the cost to counties for programming and printing legislative referenda was approximately \$56,139 (2x 28,069).

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*